GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:719
ANSWERED ON:04.03.2005
CO OPERATIVE FINANCIAL INSTITUTIONS
Nahata Smt. P. Jaya Prada;Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of FINANCE be pleased to state:

(a) whether an Action Group has been constituted during last year by the Government for giving suggestions for revival and smooth functioning of cooperative financial institutions;

(b) if so, whether this Action Group has submitted its report to the Government in January2005;

(c) if SO/ the details of the suggestions given by the Action Group; and

(d) the details of the suggestions on which decision has been taken by the Government to implement them and the time by which these are likely to be implemented ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a) and (b): The Government had constituted a Task Force under the Chairmanship of Prof.A.Vaidyanathan for revival of co-operative credit institutions in August 2004. The Task Force has submitted its Report on 15th February, 2005.

(c) : The Task Force has recommended a financial package of Rs. 14,839 crore for the credit co-operative institutions. The package covers accumulated losses, unpaid invoked guarantees, receivables from State Governments, return of share capital to State Governments, Human Resources Development conduct of special audits,computerization, implementation costs etc. Provision of financial assistance is linked to reforms in co-operative sector.

(d): Recommendations of the Task Force has been accepted by the Government in principle for implementation.